

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 226 – SB 330

March 11, 2015

SUMMARY OF ORIGINAL BILL: Defines the term “public highway”, as it relates to the Prevailing Wage Act for State Highway Construction Projects (PWA), as any street, road, highway, expressway, bridge, or viaduct, including an adjacent right-of-way, that is owned, constructed, or maintained by the state, or any municipality or political subdivision of the state. Specifies as exclusions to the definition of “public highway” any privately owned or maintained highway, road, or street. Replaces references to “streets, highways or bridges” with references to “public highway” in certain definitions within the PWA.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004131): Adds a new section to the bill that deletes and rewrites section of statute regarding public highways. Defines public highway as any street, road, highway, expressway, bridge, or viaduct, including an adjacent right-of-way, that is constructed or maintained by the state, or any municipality or political subdivision of the state, and that is funded in whole or in part with federal or state highway funds.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The prevailing wage rate is determined by defined standards specified in the PWA and determines the rate paid to workers on all state highway construction projects.
- Highway contractors entering into a state contract for work on state highway construction projects are required to pay no less than the prevailing wage rate.
- The Department of Transportation (TDOT) indicates that the department does not detect any change to the final cost of highway construction projects as a result of this bill.
- TDOT further indicates the definition of “public highway” proposed in this bill is consistent with the department’s understanding of the PWA.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Given that this bill is unlikely to change the cost for TDOT to perform any highway construction project, the change in business revenue and business expenditures is unlikely to change; thus any impact to commerce and jobs is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding", written in a cursive style.

Jeffrey L. Spalding, Executive Director

/tdb